

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

	)	
In re:	)	Chapter 11
	)	
W.R. GRACE & CO., <u>et al.</u>	)	Case No. 01-1139 (JKF)
	)	
Debtors.	)	Objection Deadline: October 30, 2006 at 4:00p.m.
	)	Hearing: Schedule if Necessary (Negative Notice)

COVER SHEET TO SEVENTH MONTHLY INTERIM APPLICATION OF  
ORRICK, HERRINGTON & SUTCLIFFE LLP, BANKRUPTCY COUNSEL  
TO DAVID T. AUSTERN, FUTURE CLAIMANTS' REPRESENTATIVE, FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD  
AUGUST 1, 2006 THROUGH AUGUST 31, 2006

Name of Applicant: Orrick, Herrington & Sutcliffe LLP ("Orrick")

Authorized to Provide Professional Services to: David T. Austern, Future Claimants' Representative (the "FCR")

Date of Retention: As of February 6, 2006 pursuant to Order entered by Court on May 8, 2006

Period for which compensation is sought: August 1, 2006 through August 31, 2006

Amount of Compensation (100%) sought as actual, reasonable, and necessary: \$152,041.50

80% of fees to be paid: \$121,633.20<sup>1</sup>

Amount of Expense Reimbursement sought as actual, reasonable and necessary: \$ 5,711.17

Total Fees @ 80% and 100% Expenses: \$127,344.37

This is an:      interim   X   monthly      final application.

<sup>1</sup> Pursuant to the Administrative Order entered March 17, 2003, absent timely objections, the Debtor is authorized and directed to pay 80% of fees and 100% expenses.

The total time expended for fee application preparation during this time period is 13.10 hours and the corresponding fees are \$2,398.00 and \$1,110.91 in expenses for Orrick's fee applications and 18.00 hours and \$3,337.50 in fees and \$91.52 in expenses for the FCR and/or his other professionals' fee applications. Any additional time spent for this matter will be requested in subsequent monthly interim applications.

This is Orrick's Seventh interim fee application for the period August 1-31, 2006. Orrick has previously filed the following interim fee applications with the Court:

<u>Interim Period</u>	<u>Fees @ 100%</u>	<u>Fees @ 80%</u>	<u>Expenses @ 100%</u>	<u>Total Fees @ 100% &amp; Expenses</u>
First Interim Period February 6-28, 2006	\$89,026.00	\$71,220.80	\$0.00	\$71,220.80
Second Interim Period March 1-31, 2006	\$117,266.25	\$93,813.00	\$7,501.32	\$101,314.32
Third Interim Period April 1-30, 2006	\$125,362.50	\$100,290.00	\$1,783.43	\$102,073.43
Fourth Interim Period May 1-31, 2006	\$136,416.00	\$109,132.80	\$6,389.80	\$142,805.80
Fifth Interim Period June 1-30, 2006	\$194,266.75	\$155,413.40	\$6,395.69	\$200,662.44
Sixth Interim Period August 1-30, 2006	\$181,982.00	\$145,585.60	\$11,934.45	\$193,916.45

To date, Orrick has received payments from the Debtors in the following amounts:

- \$71,220.80 representing 80% of fees and 100% of expenses for February 2006
- \$101,314.32 representing 80% of fees and 100% of expenses for March 2006
- \$102,073.43 representing 80% of fees and 100% of expenses for April 2006
- \$115,522.60 representing 80% of fees and 100% of expenses for April 2006

**COMPENSATION SUMMARY**  
**AUGUST 1-31, 2006**

<u>Name of Professional Person</u>	<u>Position of Applicant, No. of Years in Position, Prior Relevant Experience, Yr. Obtained License to Practice, Area of Expertise</u>	<u>Hourly Billing Rate</u>	<u>Total Billed Hours</u>	<u>Total Fees</u>
Roger Frankel	Partner, 23 years in position; 35 years relevant experience; 1971, Bankruptcy	\$725	34.2	\$24,795.00
Adam W. Goldberg	Partner, 2 years in position 12 Years relevant experience; 1994, Litigation	\$570	3.6	\$2,052.00
Jonathan P. Guy	Partner, 6 years in position; 13 years relevant experience; 1993, Bankruptcy	\$605	2.6	\$1,573.00
Garret G. Rasmussen	Partner, 24 years in position; 32 years relevant experience; 1974, Litigation	\$645	42.7	\$27,541.50
Raymond G. Mullady, Jr.	Partner, 13 years in position; 23 years relevant experience; 1983, Litigation	\$660	9.2	\$6,072.00

<u>Name of Professional Person</u>	<u>Position of Applicant, No. of Years in Position, Prior Relevant Experience, Yr. Obtained License to Practice, Area of Expertise</u>	<u>Hourly Billing Rate</u>	<u>Total Billed Hours</u>	<u>Total Fees</u>
Richard H. Wyron	Partner, 17 years in position; 27 years relevant experience; 1979, Bankruptcy	\$645	24.0	\$15,480.00
Debra L. Felder	Associate, 4 years in position; 4 years relevant experience; 2002, Bankruptcy	\$405	122.6	\$49,653.00
Katherine Thomas	Associate, 3 years in position; 3 years relevant experience; 2003, Bankruptcy	\$325	16.2	\$5,265.00
Shannon D. Venegas	Associate, 2 years in position; 2 years relevant experience; 2004, Litigation	\$325	5.0	\$1,625.00
Rachael M. Barainca	Legal Assistant	\$140	79.1	\$11,074.00
Debra O. Fullem	Senior Legal Assistant	\$210	32.1	\$6,741.00
Aurora M. Hamilton	Senior Legal Assistant	\$190	4.6	\$875.00
<b>Total</b>			<b>375.9</b>	<b>\$152,041.50</b>
<b>Blended Rate: \$404.47</b>				

**COMPENSATION BY PROJECT CATEGORY**  
**AUGUST 1-31, 2006**

<u>Project Category</u>	<u>Total Hours</u>	<u>Total Fees</u>
Case Administration	46.3	\$7,322.00
Insurance	12.0	\$7,868.00
Litigation	282.3	\$130,016.50
Compensation of Professionals-Other	13.1	\$2,398.00
Retention of Professionals-Orrick	4.2	\$1,099.50
Compensation of Professionals-Orrick	18.0	\$3,337.50
<b>TOTAL</b>	<b>375.9</b>	<b>\$152,041.50</b>

**EXPENSE SUMMARY**  
**AUGUST 1-31, 2006**

<u>Expense Category</u>	<u>Total</u>
Business Meals	\$56.13
Duplicating	\$2,255.59
Facsimile	\$13.00
Parking	\$18.00
Postage/Express Delivery	\$818.81
Telephone	\$18.74
Travel - Air Fare/Train	\$361.00
Travel - Taxi	\$133.40
Westlaw and Lexis Research	\$2,036.50
<b>TOTAL</b>	<b>\$5,711.17</b>

Orrick's Client Charges and Disbursements Policy effective January 1, 2006, is as follows:

a. ***Duplicating*** -- It is Orrick's practice to charge all clients of the Firm for duplicating at the in-house rate of 20¢ per page; however, Orrick has reduced the duplicating cost to 15¢ per page in order to comply with the Local Rules of this Court. This charge includes the cost of maintaining the duplicating facilities and the actual cost involved with respect to the duplication.

b. ***Long Distance Telephone and Facsimile Charges*** -- Orrick charges clients for long distance telephone calls but not for local telephone calls. Necessary mobile phone usage is reimbursed to professionals submitting an appropriate bill. Out-going facsimile transmissions are charged at \$1.50 per page, plus any long-distance calling cost, and there is no charge for incoming facsimiles.

c. ***Messenger and Courier Service*** -- It is Orrick's practice to use Federal Express or similar express mail delivery and third-party messenger services only in exigent circumstances (i.e., when needed to meet a deadline or when a next-day response from the recipient was necessary or beneficial to the case) and only when less costly than other available alternatives.

d. ***Overtime*** -- It is Orrick's practice to allow professionals and paraprofessionals working more than 3 hours of overtime to charge a meal to the appropriate client at a meal charge limited to \$7.50 per professional. It is Orrick's practice to allow professionals and support staff to charge a car service or cab to the appropriate client when working at least 2 hours of overtime. Orrick endeavored not to incur overtime charges unless necessary to benefit the case and in certain exigent circumstances. Orrick utilized secretarial assistance in connection with monitoring and updating case dockets and downloading, circulating and printing of pleadings filed in the case. Thus, certain charges were incurred by secretaries for overtime. (Note: These charges are at rates less than that charged by Orrick paralegals or other professional staff who may have otherwise performed this type of work.)

e. ***Computerized Research*** -- It is Orrick's practice to use computer-assisted legal research when it is efficient to do so. The charge to clients for Lexis and Westlaw are based on retail rates that do not include non-client specific volume discounts offered to Orrick. Use of fee based internet research services other than Lexis and Westlaw is charged at Orrick's cost. There is no separate charge for free internet research.

Respectfully submitted,

ORRICK, HERRINGTON & SUTCLIFFE LLP

Dated: October 10, 2006

By: 

Roger Frankel, admitted *pro hac vice*

Richard H. Wyron, admitted *pro hac vice*

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Co-Counsel to David T. Austern, Future Claimants  
Representative